

Acceptance Letters--Refund Due under the Compromise  
Letter to the Proponent

Re: \_\_\_\_\_

Dear Mr./Mrs./Miss/Ms. [Name]:

This refers to your offer dated \_\_\_\_\_, submitted on behalf of the plaintiff(s) to settle the above-entitled case(s) on the basis of (an) overpayment(s) [of \$\_\_\_\_\_ in tax, \$\_\_\_\_\_ in interest paid and \$\_\_\_\_\_ in penalties, plus statutory interest.] [computed as follows:]

This offer has been accepted on behalf of the Attorney General [with the understanding that the case(s) will be dismissed with prejudice, each party to bear its own costs including any attorneys fees or other expenses of this litigation].<sup>1/</sup> Accordingly, the Internal Revenue Service is being authorized to schedule [an] overpayment(s) [of such tax, interest paid and penalties as will be computed to be due under the terms of the settlement, plus interest according to law.]<sup>2/</sup>

OR

[of \$\_\_\_\_\_ in tax, \$\_\_\_\_\_ in interest paid and \$\_\_\_\_\_ in penalties, plus interest according to law.] [There is enclosed a copy of the recomputation prepared by (our recomputation specialist) (the Internal Revenue Service).]

There are enclosed an original and one copy [each] of [a] stipulation(s) for dismissal with prejudice. Please execute the original(s) and return [it] [them] to this office. Subject to the final paragraph of this letter, the refund check(s) representing the overpayment(s) and statutory interest will be sent by the Internal Revenue Service to this office. We will hold the stipulation(s) in this office until receipt of the refund check(s), and file the stipulation(s) with the court, returning [an] executed [copy] [copies] to you, at the same time that the refund check(s) [is] [are] mailed to you.

Please note that under Section 6402 of the Internal Revenue Code, the overpayment(s) and statutory interest resulting from this settlement may be credited against certain outstanding liabilities of the

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<sup>1/</sup> Ideally, the matter of attorneys fees should be covered in the offer and, if not in the offer, in the acknowledgment letter.

<sup>2/</sup> If a recomputation is needed and has not been prepared prior to acceptance of the offer, the recomputation prepared by the Internal Revenue Service or our recomputation specialist should be promptly reviewed for correctness and forwarded to taxpayer's counsel.

taxpayer(s), including liability for an internal revenue tax.

Sincerely yours,

[NAME OF ASSISTANT ATTORNEY GENERAL]  
Assistant Attorney General  
Tax Division

By:

[NAME OF CHIEF OF SECTION]  
Chief, \_\_\_\_\_ Section

[Enclosures]

[April 1995]

Acceptance Letters--Refund Due under the Compromise

Letter to [District] [Chief] Counsel in Cases Where Amount of Overpayment Is Known

Re:

\_\_\_\_\_  
Your ref: CC:

Dear Mr./Mrs./Miss/Ms. [Name]:

There is enclosed a copy of our letter of this date advising the proponent of the acceptance of the offer to compromise the above-entitled case(s) on the basis set forth in our letter to the proponent.

Accordingly, we have authorized the [Service Center] [District Director] to issue a refund of \$\_\_\_\_\_ in tax, \$\_\_\_\_\_ in interest paid, and \$\_\_\_\_\_ in penalties, plus statutory interest, subject to the provisions of Section 6402 of the Internal Revenue Code. There is enclosed a copy of Form M-4457.

[This offer, a copy of which is enclosed, was not submitted for your views inasmuch as by letter dated \_\_\_\_\_, you (reclassified) (referred) this case under the settlement option procedure.]

Your administrative file(s) [is] [are] returned herewith.

Sincerely yours,

[NAME OF ASSISTANT ATTORNEY GENERAL]  
Assistant Attorney General  
Tax Division

By:

[NAME OF CHIEF OF SECTION]  
Chief, \_\_\_\_\_ Section

Enclosures

[April 1995]

EX. J-4

Acceptance Letters--Refund Due under the Compromise

Letter to [District] [Chief] Counsel in Cases Where Amount of Overpayment Will Be Computed by IRS

Re: \_\_\_\_\_  
Your ref: CC:

Dear Mr./Mrs./Miss/Ms. [Name]:

There is enclosed a copy of our letter of this date advising the proponent of the acceptance of the offer to compromise the above-entitled case(s) on the basis set forth in our letter to the proponent.

Accordingly, subject to the provisions of Section 6402 of the Internal Revenue Code, you are authorized and directed to cause the issuance of a refund of such tax, penalty and interest paid as you compute to be due under the terms of the settlement, plus statutory interest. Please promptly forward to us three copies of your recomputation. Please request the Service Center to send us three copies each of the notice of adjustment and the statutory interest computation. The refund check(s) should be sent to this office for delivery in accordance with 26 C.F.R. 301.6402-2(f)(2).

[This offer, a copy of which is enclosed, was not submitted for your views inasmuch as by letter dated \_\_\_\_\_, you (reclassified) (referred) this case under the settlement option procedure.]

Your administrative file(s) [is] [are] returned herewith.

Sincerely yours,

[NAME OF ASSISTANT ATTORNEY GENERAL]  
Assistant Attorney General  
Tax Division

By:

[NAME OF CHIEF OF SECTION]  
Chief, \_\_\_\_\_ Section

Enclosures

[April 1995]

EX. J-4